

FISCAL YEAR ENDING DECEMBER 31, 2005, AND BUDGET YEAR 2006

PEOPLE, PARTNERS, PROGRESS CREATING COMMUNITY CONNECTIONS

By Mayor Gene Winstead

KEY TO SUSTAINING AND GROWING a successful community are the people whose contributions protect and improve the lives of others. These people, the City's partners, are committed to ensuring that Bloomington remains a high-quality place to live, work and visit. Together we are creating and building a stronger community.

Bloomington's financial condition continues to be among the best in the state and in the nation. The City maintains an Aaa from Moody's, an AAA from Standard & Poor's and an AAA from Fitch Ratings, the highest bond ratings awarded by those agencies. Of more than 87,000 local governments in the U.S., only 20, including Bloomington, have achieved three triple-A ratings. See page CR6.

The City Council adopted a 2006 General Fund budget with an average increase of 2.77 percent over the last three years. Property taxes allocated to the General Fund have increased only 4.69 percent over the past five years, despite losing \$3.2 million in state aid payments during that period.

In 2005, the city reached a milestone when its real estate market value surpassed \$10 billion – an indication that Bloomington is a dynamic community where people want to live, do business and reinvest in homes, businesses and schools. The real estate market value in Bloomington continues to grow, topping \$11.1 billion in 2006. See page CR3.

Redevelopment projects, more housing options for residents and improved infrastructure are revitalizing our city. Highlights of 2005 include:

Lyndale Green, 84th Street and Lyndale Avenue, features a new Cub Foods store, a 10,800-square-foot retail center along with a 95-unit senior cooperative, 38 townhouses and 12 "brownstone-styled" row homes. The project was honored with the Minnesota Shopping Center Association's award for best redevelopment. See page CR3.

The first phase of the **Village on 9 Mile Creek** redevelopment of the former City Hall site at Penn Avenue and Old



Shakopee Road was completed with a four-story condominium building and 20 townhouses. The second-phase construction of 38 townhouses will begin in 2006.

Bloomington Central Station, the first and largest transit-oriented development in Minnesota and one of the largest currently underway in the nation, began its first phase with construction of 270 residential units that will be completed this summer. The project was honored with a Best in Real Estate award. See page CR3. The second phase of the development includes a 350-room hotel, 1.5-acre park and a 150-unit residential complex that could begin construction in 2006.

The 403-room **Grand Lodge and Water Park of America**, featuring a 75,000-square-foot indoor water park, is scheduled to open in early summer.

The **I-494 Third Lane** project was completed, significantly increasing capacity in the corridor west of TH100 and Normandale Boulevard.

The **Lyle Berg Bridge**, an important link connecting east and west American Boulevard, was completed last fall. See page CR4.

The intersection-to-interchange upgrades on **TH169 at Pioneer Trail and Bloomington Ferry Road** eliminated stoplights and added bridges.

Today, Bloomington enjoys award-winning schools, excellent financial strength, property taxes that are among the lowest in the metropolitan area, transportation improvements and highly successful businesses that are active community partners.

What does the future hold for Bloomington? It is important to consider how we will meet challenges that include changing demographics, traffic congestion and housing. The City Council has started its next strategic planning process to define development, redevelopment, City services, infrastructure, and fiscal strength and stability for the next 20 years.

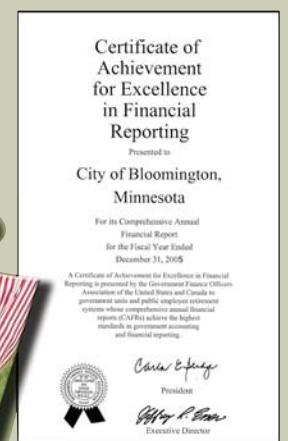
Everyone is a stakeholder in the future direction of the community. We're stronger when we work together. It is essential that we continue to create the community connections that help ensure our success. The relationships we've developed with our neighbors, local organizations and businesses, neighboring cities, and state and local government agencies enable us to provide excellent services that meet our residents' needs and look for new opportunities to enhance our city.



The monthly expenses for City services described in this report use a median-priced home in Bloomington that has an assessor's market value, payable in 2006, of \$231,200, with monthly property taxes for City services of \$60.50.

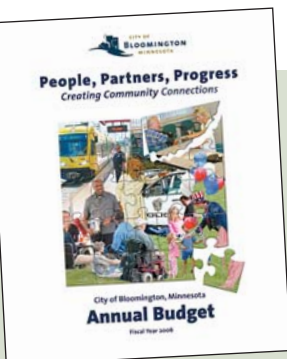
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EXCELLENCE IN FINANCIAL REPORTING CITY NETS 34TH CONSECUTIVE AWARD

THE GOVERNMENT Finance Officers Association of the United States and Canada has given the City of Bloomington its Certificate of Excellence in Financial Reporting for Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2004. This award is the highest form of recognition in government accounting and financial reporting. Bloomington has received this prestigious national award for 34 consecutive years. Only two entities have consecutively received more awards: Oak Ridge, Tennessee (43 years) and Montgomery County, Maryland (35 years).



CHECK OUT THE FINANCIAL REPORTS ONLINE

BLOOMINGTON'S 2006 Annual Budget, Budget Summary, 2005 Comprehensive Annual Financial Report and Corporate Report to the Community are available on the City's Web site. Visit www.ci.bloomington.mn.us, keywords: Finance Department.